

**THE ISLA VISTA FOOD COOPERATIVE**  
**Board of Directors Meeting Minutes**  
**Wednesday, January 18, 2023 at 6:30pm**  
Held online via Zoom

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Via Phone: 1 (669) 900-6833; Meeting ID: 377 715 3488, Passcode: 672404

Meeting ID: 377 715 3488, Passcode: IVFC

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Directors Present: Lisa Oglesby (LO), Jillian Tempesta (JT), Raphael Chinchilla (RC)

Staff Present: Hernan Cornejo (GM)

Owners/Community Present: Erig Shug (ES), Matt Richards (MR), Seth, Ambo, Sophie Pullen (SP), Paul Mocker (PM)

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6:35 p.m. – Meeting begins

**1) Approval of Agenda for January 18, 2023**

***Motion: To approve meeting agenda for January 18, 2023, as presented.***

***RC/JT 3-0-0***

**2) Welcome and Announcements**

**a) Owner Input**

A guest (Amno) inquired whether the kitchen going to begin making more items soon. The GM responded that there had been some food waste with unsold deli items, and now, we are additionally short-staffed. The GM is optimistic that deli production will be restored next week.

**b) Potential Board Candidates**

The Board and guests introduced themselves. Several guests in attendance are potential Board candidates. There was a question about the necessity of having previous experience serving on Boards as a candidate. The consensus is that it is nice but not necessary, as much of Board work is learned on the job.

**3) Approval of December 14, 2022 Board of Directors meeting minutes**

***Motion: To approve December 14, 2022, meeting agenda as amended.***

## ***RC/JT 3-0-0***

### **4) Board Calendar & Reporting**

#### **a) Finance Committee/Treasurer's Report**

##### **Treasurer's Report**

RC shared the snapshot of the December 2022 income statement. The IVFC lost about \$50,000 of cash in December. At the beginning, we were at \$293,000, and now we are at \$234,000. The Oct-Dec quarter losses are about \$200,000. The ERC (a cash credit) from the state government is helping to keep us afloat (\$350,000). RC also shared the background on the mathematical forecast model used to predict the budget.

RD asked for more details on the accuracy of the budget. RC replied that the budget isn't necessarily wrong, since it's a prediction, and that tweaks are normal.

Seth asked whether weather (like rain) is part of RC's model. RC clarified that his model is not meant to incorporate factors like rain. Generally speaking, this December was very rainy, and since people bike to the coop to shop, that could have decreased shoppers. RC also noted that shortened exam weeks (due to remote/take home exams) and longer vacations have contributed. Seth also asked how many years of data the IVFC has—the answer is from 2010. RC noted that the pandemic years are data outliers and were not included in the model.

##### **Line of Credit Removal**

LO shared that Mechanics Bank has notified the IVFC that our current line of credit will expire on March 31. If we wish to renew the Line of Credit for another 12 months, we need to submit the paperwork by February 27. The line of credit does not cost us anything if we do not use it. The Board and GM agree that it is a good, no-risk safety net.

#### **b) Owner Engagement Committee Report**

JT reported that the OEC's main priority this time of year is to support outreach for the Board election. We've had some good ongoing collaboration with the IVFC marketing team in terms of emails, posters, and posts on social media. The OEC is looking forward to the Owner Social at Captain Fatty's this Saturday, January 21, at 6 pm. They have both indoor and outdoor space, non-alcoholic options, and a local vendor selling woodfired pizza. We'll all be there to meet owners and chat with potential board candidates. The Board will also be tabling on the patio on Saturday,

January 28, from noon to 2 p.m., and when the voting period begins, the OEC will be there regularly to capture owner votes.

Board tabling on the IVFC patio on Saturday January 28th from noon - 2pm

MR noted the discrepancy between having a meeting at a restaurant while we are meeting for the Board meeting on Zoom. JT responded that this event is a casual, opt-in event, and therefore an opportunity to gather in person for those whose comfort level allows it. However, the Board meetings are for official business and will remain accessible to all on Zoom.

### **c) Bylaws Committee Report**

LO provided an updated timeline for updated bylaws outreach, meetings, and votes. This process will most likely probably fall to the next term of board service, which begins in April.

LO provided additional context on the bylaw update. Our current bylaws are good, but there are areas that could use an update to confirm with state law or more detail. The committee compared our bylaws with those of eight other coops and state law to form a fuller picture of the revisions required. There are no fundamental changes to the rights of the coop or the way business is done. The committee has added essential information about how the coop is dissolved (by the book, according to CA state law). The bylaws require a majority owner vote, since owners agree to adhere to those bylaws.

PM left the meeting at 7:29 p.m.

### **d) Jon Steinman Consulting Session(s)**

The Board debated the merits of workshops from Jon Steinman, author of *Grocery Story: The Promise of Food Co-ops in the Age of Grocery Giants*. JT mentioned that the April 6-10 timeframe is before the new Board is seated, so they may get more out of it after they've had a few months to settle in and apply it to IVFC. A Zoom version of the workshop would alleviate the accommodation cost to make it more budget-friendly, too. The GM said he is in favor of the staff workshop, providing it fits in the budget.

### **e) Election Committee Report**

LO reiterated upcoming election events and thanked those potential candidates who have joined the meeting.

### **5) GM Reporting**

Anbo left at 7:24 p.m.

## **General Overview**

Before starting his report, the GM reiterated that the IVFC budget is very difficult to predict. Cycles in the economy, potential recession, inflation, and supply chain issues have all affected the budget. Our Grocery Manager has been with the coop for 30 years. He has said that he has never seen street traffic as low as it has been this year (even accounting for December). The IVFC relies on students. Our main goal is to attract more non-student owners and shoppers. One idea is a special discount for UCSB faculty and local K-12 teachers. The IVFC has also expanded its wine offering. The IVFC will also explore app-based delivery services like DoorDash.

LO inquired about shortages, like eggs, and asked if the GM has noticed a shortage on staples. The GM said generally, no, except for a recent issue with eggs. The IVFC placed a limit of one per person on eggs. The bigger issue lately was because of the storm causing road closures, not because of the wider avian flu issue. The IVFC is expecting another delivery tomorrow.

## **HR/Staffing**

We have lots of new faces, especially new cashiers! Please say hello.

## **Departmental Highlights**

Nothing substantial to report this month.

## **Marketing & Outreach**

The marketing and outreach team remains focused on recruiting new owners. The Girl Scouts will be selling cookies on our patio, and also buying our cookies! The IFVC will also have presentations with K-12 students to educate them on the coop.

## **Maintenance & Repairs**

The GM is happy to report that there were no significant maintenance issues in December. However, in January, there was a power supply issue. SCE will be paying for damage to computers.

## **Financial Updates**

Net loss for December was \$48,000. For the quarter, sales were \$858,000, only 2.2% below the previous years. COG and COP resulted in net loss of \$97,900 for the quarter. While we had anticipated a negative quarter, we overestimated sales for the period by 5% while underestimating personnel expenses by 20.8% which accounts for most of the difference in the results.

Our Cash Flow suffered a \$189K depletion during the last quarter. However, we are keeping a close eye on expenses (reduced maintenance costs by over 60%, holding off on store investments) and developing a system to monitor shrinkage.

Our Fiscal Year 2023 Tax Returns have been sent to the Finance Committee. Tax Statements are different from GAPP Statements as they are designed to minimize our tax load and take advantage of the many tax benefits available. They not necessarily provide an accurate portrait of our financial situation. The IVFC will be even on the tax return.

MR inquired about a tree trimming he observed; the GM responded that it was a minor branch removal due to the storms that cost the IVFC under \$400. MR also asked the GM to clarify the K-12 outreach that the coop will be undertaking. SP had a suggestion to extend that outreach to UCSB sustainability clubs. IVFC has a contact with SBCC culinary school next week.

MR asked a question about open session vs. closed session, and the Board clarified that closed session is used for sensitive private or legal issues. All coop business is done in open session.

## **6) Upcoming Meetings**

**a) Bylaws Committee meeting: 1/24**

**c) Finance Committee meeting: TBD**

**c) Owner Engagement Committee meeting: TBD**

**d) February Board of Directors meeting: 1/15 at 6:30 p.m.**

**Meeting adjourned at 8:52 p.m.**

Minutes taken by Jillian Tempesta, Corporate Secretary.

Minutes approved by the Board of Directors, February 15,2023.